REMARKS

In view of both the amendments presented above and the following discussion, the Applicants submit that the claims now pending in the application are patentable under the provisions of 35 USC §§ 101, 102, 103 and 112. Thus, the Applicants believe that all of these claims are now in allowable form.

If the Examiner believes that there are any unresolved issues in any of the claims now pending in the application, the Examiner is urged to telephone Mr. Richard J. McGrath, Esq. at 703-621-7140 so that appropriate arrangements can be made for resolving such issues as expeditiously as possible.

The Applicants thank the Examiner for the thorough consideration given the present application. Claims 1-11 are pending in the present application and claims. This Amendment cancels claims 1 and 9, amends claims 2-8, 10 and 11, and adds new claim 12. The Examiner is respectfully requested to reconsider the rejection of the claims in view of the amendments to the claims and the remarks as set forth below.

The Specification

Paragraph [0008] has been deleted in order to more accurately describe the claimed invention.

Rejection Under 35 U.S.C. § 101

The §101 rejection is based on the Examiner's belief that, "The method must produce a real-world result". (See page 2 of the Office Action.) Applicant respectfully traverses the §101 rejection of the claims, in view of the Board's opinion, *Ex Parte Lundgren*, BPAI, No. 2003-2088, 9/28/05 and the interim examination guideline published after the *Lundgren* decision. The Board in *Ex Parte Lundgren* essentially reiterated the Federal Circuit's holding that a process claim that applies a mathematical algorithm to "produce a useful, concrete, tangible result without pre-empting other uses of the mathematical principle, on its face comfortably falls within the scope of § 101," *AT&T Corp. v. Excel Communications, Inc.*, 172 F.3d 1352, 1358, 50 USPQ2d 1447, 1452 (Fed. Cir. 1999). Following the *Lundgren* case, the USPTO released a set of interim examination guidelines for determining §101 subject matter eligibility of a claimed invention. The objective of the guidelines is to help Examiners determine whether a claimed invention falls within a judicial exception to statutory subject matter of 35 U.S.C. § 101.

According to the guidelines, the Examiner should first determine whether the claim is directed toward at least one of the four enumerated subject matter categories which include process, machine, manufacture or composition of matter. In the present case, the invention is clearly directed to a process. The guidelines also instruct the Examiner that if the invention as set forth in the written description is statutory, but the claims define subject matter that is not, the deficiency can be corrected by an

appropriate amendment of the claims. In such a case, the Examiner should reject the claims drawn to non-statutory subject matter under 35 U.S.C. § 101, but identify the features of the invention that would render the claimed subject matter statutory if recited in the claim. The Examiner has not identified any such features in the Office Action.

According to the guidelines, the examiner should then determine whether the claim is directed to one of the three § 101 judicial exceptions which include a law of nature, natural phenomena, or abstract idea. These exceptions can be avoided if the claim is directed to a practical application of a § 101 judicial exception. As the Supreme Court held in *Diamond v. Diehr*, 450 U.S. 175, 187, 209 USPQ 1, 8 (1981), the inclusion of a law of nature in a claim does not preclude it from patentability so long as there is a claimed application of that law, since "[i]t is now commonplace that an application of a law of nature or mathematical formula to a known structure or process may well be deserving of patent protection." In the present application, the Examiner has not made a showing that the invention is directed to one of the three § 101 judicial exceptions.

According to the guidelines, even if a claim is directed to an appropriate § 101 judicial exception, the claim is still patentable if the claimed invention "transforms" an article or physical object to a different state or thing, or the claimed invention otherwise produces a useful, concrete and tangible result. Even without any "physical transformation," a claim can be eligible for

patenting so long is there is a "useful, concrete, and
tangible result".

Finally, the Examiner must determine whether the
claim would, in reality, preempt the use of a law of nature
or abstract idea. One may not patent a process that
comprises every "substantial practical application" of an
abstract idea, because such a patent "in practical effect
would be a patent on the [abstract idea] itself. *Gottschalk
v. Benson*, 409 U.S. 63, 71-72, 175 USPQ 673, 676 (1972). If
an examiner determines that the claimed invention preempts a
§ 101 judicial exception, the examiner must identify the
abstraction, law of nature, or natural phenomenon and
explain why the claim covers *every* substantial practical
application thereof. The Examiner bears the burden of
presenting a *prima facie* § 101 rejection, and if the record
as a whole suggests that it is more likely than not that the
claimed invention includes a practical application, the
examiner should not reject the claim. In the present
application, the Examiner has not alleged any § 101 judicial
exception or preemption.

The Office Action simply states that the claimed
invention does not produce a "tangible" result, because
there is no end result of a purchase being made related to
the purchase number. The method claims of the present
application require the reception of a purchase order
including a reference number at a "remote location" from a
"customer location" via a "first connection" and a "second
connection". It is respectfully submitted that the
transmission of a purchase order including a reference
number from a "customer location" to a "remote location" via

a "first connection" and a "second connection" is clearly a "practical application" that provides a useful, concrete and tangible result.

For all of these reasons, Applicants respectfully submit that the Examiner has not established a *prima facie* basis for a § 101 rejection, and that claims 2-12 are directed to statutory subject matter. The Examiner, therefore, is respectfully requested to withdraw the rejection of the claims under 35 U.S.C. § 101 as being directed to non-statutory subject matter.

Rejections Under 35 U.S.C. § 112

The Examiner rejected the claims under the provisions of 35 U.S.C. § 112, second paragraph, as being indefinite, because claim 1 included the phrase "such as". Claim 1 been canceled and the rejection is now moot.

Rejections Under 35 U.S.C. § 103(a)

1.   The Rejection

The Examiner rejected claims 1-11 under the provisions of 35 U.S.C. § 103(a), as being unpatentable over World Publication Number WO02/05230 (Gibson, hereinafter "Gibson") in view of U.S. Patent 5,727,163 (Bezos, hereinafter "Bezos").

2. <u>WO 02/05230 (Gibson)</u>

In Gibson, a merchant transmits transaction data
and a transaction reference to the transaction processing
system over a first communication path. The merchant then
transmits the transaction data and transaction reference
over a third communication path to a customer. The
transaction processing system also receives the transaction
reference from the user over a second communication path.

In particular, the customer orders products on a
website of the merchant without payment data (credit card
number). In response, the customer receives a transaction
reference number (TRN) from the merchant together with a
telephone number of transaction processing system. The TRN
is also sent by the merchant to the transaction processing
system. The customer places a call to the transaction
processing system. During this call, the customer enters
payment data (e.g. credit card number (page 13, line 19))
and the TRN as received from the merchant. The payment data
are matched with the product order data on the basis of the
TRN for settling payment. The completed transaction is
communicated to the merchant by sending a transaction record
reference (TRR), generated by the transaction processing
system, to the merchant.

The Examiner has presumably interpreted the
customer location 2 of Gibson as corresponding to the
customer location in new claim 12 or cancelled claim 1, and
the transaction processing system 19 of Gibson as
corresponding to the remote location in new claim 12 or
cancelled claim 1. The Examiner appears to be of the view

that in Gibson, the first connection runs from the customer
location 2 via the merchant location 8 to the transaction
processing system 19 and the second connection runs from the
customer location 2 directly to the transaction processing
system 19.

In this situation, however, the transaction
processing system 19 does not receive a predefined subset of
a reference number from the customer location 2 via the
first connection. Apart from not being a subset of a
reference number, the TRN is generated at the merchant
location 7 and not at the customer location 2. Furthermore,
the transaction processing system 19 does not provide an
identification code to the customer location 2. The TRR is
generated at the transaction processing system 19 and is
sent only to the merchant location 7.

It is respectfully submitted that the subject
matter of new claim 12 is non-obvious even in view of the
Examiner's unreasonable interpretation of Gibson. The
Examiner has unreasonably interpreted the combination of the
customer location 2 and the merchant location 7 of Gibson to
be same as the customer location defined in new claim 12 or
cancelled claim 1. Of course, the below arguments also apply
when only the customer location 2 of Gibson is interpreted
to correspond to the customer location defined in new
claim 12 or cancelled claim 1.

In the unreasonable situation relied upon by the
Examiner, when the customer location 2 and merchant location
are the same, Gibson does not disclose that a predefined
subset of a reference number is received at the remote

location. Gibson only teaches that the complete reference
number TRN is received at the transaction processing
system 19 via the internet 1.

Furthermore, Gibson does not disclose that the
identification code and number digits supplementary to
digits of the received reference number are received at the
remote location over the second connection. Firstly, the TRR
is only generated at the transaction processing system 19
and sent to the merchant location 7. Gibson does not teach
or suggest that the TRR is received at the transaction
processing system 19. Secondly, Gibson does not teach or
suggest that supplementary digits of the reference number
are received at the transaction processing system 19. In
contrast, Gibson clearly discloses that the complete TRN is
received from the customer location 2 (page 15, line 13).

In the absence of receiving a subset of a
reference numbers over the first connection and
supplementary digits over the second connection, it is clear
that Gibson does not teach or suggest that a concatenation
of the subset and the supplementary digits is performed on
the basis of the identification code.

3.   U.S. Patent 5,727,163 (Bezos)

Bezos is described in the Background of the
Invention section of the present application as filed. Bezos
discloses a method and system for placing an order charged
to a credit card, over an unsecured network. The customer
completing an order for goods or services enters information
required for the order, but enters only a subset of the

credit card account number to which the order is to be charged. The order is transmitted over the Internet to a remote merchant location from a customer's location. A computer at the remote merchant location processes the order to extract the data provided by the customer for storage in a database. During a subsequent telephone call to the remote merchant location, the customer enters the complete credit card number (column 2, line 65; column 3, line 3). Using the portion of the complete credit card number that corresponds to the subset entered by the customer on the order form, the computer identifies the order previously placed and inserts the complete credit card number in the order data stored on the database to finalize the order.

Bezos neither discloses the use of an externally generated identification code nor the use of a subset and supplementary digits of a reference number with subsequent concatenation of those parts to arrive at the complete reference number of a purchase order. Instead, Bezos requires that the complete reference number is transmitted over a network. Furthermore, Bezos couples a portion of the complete credit card number to link to the complete credit card number instead of a separate identification code, which may be problematic in view of duplicate subsets of credit card numbers from different credit card holder, as is described on page 2, lines 4-10 of the application as filed.

The Cited Prior Art Does Not Establish a
Prima Facie Case of Obviousness

In order to establish a *prima facie* case of obviousness, a rejection made under 35 U.S.C. § 103 must meet three basic criteria. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. <u>Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations.</u> The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

The Cited Prior Art References Fail
to Teach All the Claim Limitations

Applicants respectfully submit that the cited prior art Gibson and Bezos references fail to teach all the claim limitations of independent claim 12. Independent claim 12 includes claim limitations directed to "receiving at the remote location via a second connection said identification code and number digits supplementary to digits of said received reference number; and concatenating, on the basis of said identification code, said subset of the reference number and said supplementary number of digits to restore said reference number of said purchase order". Since both Gibson and Bezos do <u>not</u> disclose receiving <u>a predefined subset of a reference number</u> via a first

connection and <u>supplementary digits of the reference number</u> via a second connection followed by <u>concatenation of the subset and the supplementary digits on the basis of an identification code</u> received from the remote location to complete the reference number. Accordingly, it is respectfully submitted that the cited prior art Gibson and Bezos references fail to disclose every claim limitation of independent claim 12, and the Examiner is respectfully requested to find independent claim 12 patentable over the cited prior art.

Furthermore, the other references that have been made of record in the case do not provide the missing teachings of Gibson and Bezos.

The Other References

US 6,012,144 (Pickett) discloses a transaction security method and apparatus, wherein a person wishing to initiate a secure transaction sends a message over a non-secure network to a computer. The computer has implemented a call-back mechanism via a second network to contact the person to verify the transaction. Pickett fails to disclose concatenation of the subset and the supplementary digits on the basis of an identification code received from the remote location to complete the reference number during a method for receiving a purchase order.

US 6,477,578 (Mhoon) discloses a method for conducting secure internet transactions using a secure communication link for transmitting sensitive information, such as credit card information. In particular, first it is

determined whether the electronic transaction information is sensitive. Then a switching function is controlled within a telephone network switching center or an internet service provider to send the electronic transaction information from a customer computer via a first non-secure communication link to the merchant computer via the second communication link if the electronic transaction information is not sensitive and via a secure communication link if the electronic transaction information is sensitive. Moon at least fails to disclose receiving a predefined subset of a reference number via a first connection and supplementary digits of the reference number via a second connection followed by concatenation of the subset and the supplementary digits on the basis of an identification code received from the remote location to complete the reference number.

In summary, the Applicants submit that the subject-matter of the invention as defined in new claim 12 is novel and patentable over the prior art of record.

Dependent Claims 2-8, 10 and 11

The Applicants believe that dependent claims 2-8, 10 and 11 are allowable over the cited prior art for at least the same reasons as independent claim 12 from which they depend.
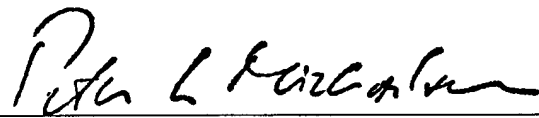
Conclusion

In view of the above amendments and remarks, it is believed that the claims clearly distinguish over the patents relied on by the Examiner, either alone or in combination.

Respectfully submitted,
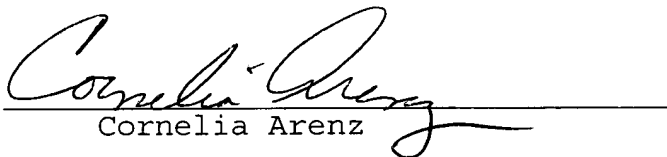
December 6, 2006

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I hereby certify that this correspondence is being deposited on **December 6, 2006** with the United States Postal Service as first class mail, with sufficient postage, in an envelope addressed to Mail Stop Amendment, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

Cornelia Arenz

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